

ARIZONA STATE LEGISLATURE
Fifty-first Legislature – Second Regular Session

JOINT LEGISLATIVE COMMITTEE ON DES BLOCK GRANTS

Minutes of Interim Meeting
Wednesday, August 6, 2014
House Hearing Room 1 -- 1:30 p.m.

Co-Chairman Shope called the meeting to order at 1:35 p.m. and attendance of House of Representatives Members was noted by the secretary. Co-Chairman Barto called the meeting to order at 1:36 p.m. and attendance of Senate Members was noted by the secretary.

Members Present

Senator Nancy Barto, Co-Chairman
Senator Kelli Ward

Representative Thomas Shope, Co-Chairman
Representative Kate Brophy McGee
Representative Sally Gonzalez
Representative Juan Mendez
Representative Justin Olson

Members Absent

Senator Leah Landrum Taylor
Senator Robert Meza

OPENING REMARKS

Co-Chairman Barto welcomed Members of the Committee and stated that everyone will miss the presence of Senator Chester Crandell, a valued Member of this Committee. Co-Chairman Shope said that everyone shares in this incredible loss and is thinking of Senator Crandell's family today.

Co-Chairman Barto commented that although there was concern about a quorum, the Committee does have a quorum present; however, no action will be taken today.

PRESENTATIONS

Overview Community Services Block Grant

Melanie Starns, Assistant Director, Department of Economic Security (DES), Division of Aging and Adult Services, shared information about the Community Services Block Grant, a federal block grant that DES administers. Legislative hearings are held once every three years as part of DES' overall planning process which is required by federal law. She presented an overview of the 2015-2016 State Plan for the Community Services Block Grant (CSBG) (Attachment 1, pages 1 through 10) and relayed that the purpose of the CSBG is to provide assistance to states

and local communities, working through a network of community action agencies and other neighborhood organizations, to reduce the causes of poverty and help low-income families move into self-sufficiency. She addressed national goals, services, state administration, federal appropriation, distribution of funds and the funding formula.

Lynn Larson, Deputy Assistant Director, Department of Economic Security (DES), Division of Aging and Adult Services, completed the DES presentation (Attachment 1, pages 11 through 24), reviewing how local agencies are designated, Arizona's eligible entities, and subcontracted services.

Senator Ward asked about services in LaPaz County.

Brian Babiax, Executive Director, Western Arizona Council of Governments (WACOG), replied that there is no office in Parker at this time; however, services are provided through the Yuma office on a regular basis.

Representative Mendez queried where there has been discussion about creating a new entity. Ms. Larson advised that the majority of entities have been in existence for quite some time. Two new entities were designed over the last ten years: Mesa Community Action Network and the City of Glendale Community Action Program.

Ms. Larson continued her presentation with the range of services, partnerships between public, private and faith-based organizations, Arizonans served (families, children, seniors and persons with disabilities), statewide expenditures, oversight, and eligibility.

Representative Mendez brought up eligibility requirements and the impact they have had on those being served.

Rosemary Cora-Cruz, Program Manager, Interfaith Community Services, related that her agency pays for items that may be a barrier to getting assistance, such as birth certificates, etc.

Kathy DiNolfi, Vice President, MesaCAN, stated that the eligibility requirements have been in existence for a long time. Citizenship and lawful presence documents have put an additional burden on families before obtaining any additional financial assistance. She said that proof of citizenship is a federal requirement.

Representative Mendez said he understands that families have to return after verification to receive funding. Ms. Starns noted that some agencies have their own requirements that may not be specific to CSBG.

Jeffrey Jamison, Acting Deputy Director, Human Services Department, City of Phoenix, stated that under Proposition 200 rules, citizenship must be verified prior to an application for any services. He agreed that it is an extra step in the process and impacts the length of the appointment with the person or family and the City's capacity to serve.

Representative Gonzales stated concern about verification of identification for Native Americans in rural areas because birth certificates may not be available since many are born at home. Ms. Larson answered that a tribal enrollment card or certificate of Indian blood issued by a federally-recognized tribe that shows the person is affiliated with that tribe is acceptable documentation.

Representative Brophy McGee asked whether the issue is that it is a burden for someone to present identification to access services. Representative Mendez replied in the affirmative. He said that families have to first be verified and then return to get services, and this hurts the general population from accessing funds for emergency services. He would like the process to be more streamlined so it does not hurt families.

Representative Gonzales pointed out that when the process is longer, less people are served. Streamlining is very important to the people in need of these services. Co-Chairman Shope said the hope is to do things more efficiently if possible.

Cynthia Zwick, Executive Director, Arizona Community Action Association, said all attempts are made when an appointment is established to ensure that the person coming into the office knows what documentation is needed; however, sometimes they are in crisis and do not always have access. She said that when they do have their documentation, they are served in one visit.

Ms. Larson completed her presentation by reviewing fraud prevention measures, monitoring and reporting, if detected, in the state program.

In reply to Representative Mendez' queries, Ms. Starns advised that some agencies receive additional federal and state funds in addition to receiving DES Block Grant money. She said that the CSBG receives only federal dollars.

Representative Mendez asked for a listing of special projects that are funded. He referenced the State of Arizona Community Services Block Grant Program report (Attachment 2, page 10). He said he would like to see what the need is.

Co-Chairman Barto queried whether the public hearings are video-taped and available for Committee Members. She wondered what the interest is in other local agencies being designated eligible entities that provide services. Ms. Starns replied that the hearings have not been video-taped in the past but can be in the future. She related that participation in the public hearings is light.

Co-Chairman Barto asked about the contract and special projects. Ms. Starns related the following information: contract cycle is five years and new contracts will go into place in fiscal year 2016. Ms. Larson replied that the special projects have just come out as an opportunity, so a comprehensive list is not available. The network is working together to determine the proposals. There is approximately \$73,000 set aside for special projects. She hopes to receive that information in the next month and will provide data to Members.

Co-Chairman Barto brought up the management of funding and asked whether there have been any deficiencies in the agencies over the years. Ms. Larson explained that there have been a couple of sets of findings associated with the tripartite board and filling of vacancies as well as some of the activities of the board. The agencies have worked with DES to ensure those issues are addressed. She said she believes there are no corrective action plans at this time.

Senator Ward asked what the program's measure of success is. Ms. Starns answered said that the goal of the program is helping families move into self-sufficiency. Some immediate outcomes include basic needs, such as providing families with help in preventing utilities from being shut off and keeping families from being evicted and becoming homeless. When families become stabilized, then help can be given to acquire job skills, employment readiness, etc., to move them into self-sufficiency.

Senator Ward noted that this program has been in effect since 1967. She wondered what kind of data has been collected on the families and individuals who are accessing these services to show that this is an effective program. Ms. Starns said that the federal government has required states to provide some data. She related that DES does not have the capacity to do longitudinal data study and she referred to Cynthia Zwick, Executive Director, Arizona Community Action Association, to provide that information.

Individual Development Accounts

Kathy DiNolfi, Vice President, Mesa Community Action Network (MesaCAN), testified that MesaCAN provides the same services as other agencies as well as emergency financial assistance, workforce development and financial coaching. One of its unique programs funded by CSBG dollars is the Individual Development Account program (IDA). MesaCAN is a recipient of federal funding through Assets for Independence grants which assist low- to moderate-income individuals by matching their earned income for the purchase of an asset: a home, a business or start-up, or post-secondary education. MesaCAN partners with private foundations, education institutions, other nonprofits and faith-based organizations to raise nonfederal funding equal to the amount of the grant. Participants' progress is tracked by savings amounts, asset purchases and completion of savings goals. In 2008, MesaCAN decided to focus on education completion in Mesa and partnered with Mesa Community College and United Way. Over 400 people have saved for their education, 120 currently are enrolled in college and 75 have obtained their associate's degree or certification, or are working towards their bachelor's degree. In the same time frame, 28 homes have been purchased and 10 businesses have opened. CSBG funds have allowed MesaCAN to improve the lives of limited-income people and has helped in developing neighborhoods and facilitating college enrollment. It has helped assist limited-income families with a return on investment of up to 300 percent.

Partnership with Faith Based Organizations

Rosemary Cora-Cruz, Program Manager, Interfaith Community Services (ICS), stated that Pima County is excited to be part of the program to receive CSBG funds because the funding is so flexible and allows each agency to be unique in funding things that are important in its community. She advised that Pima County subcontracts over half of its funds to community-

based organizations to supervise a variety of services. The coordination and collaboration used in Pima County allows it to leverage the resources and maximize benefits to the individual or the family that needs them without duplication of services or infrastructure.

Terri Patt-Smith, Associate Director, Interfaith Community Services, related that her agency started 30 years ago with five faith communities with the concept of bringing faith communities together under an umbrella of services instead of having people go to each faith community. ICS has a long-standing relationship with government funding and has been a part of these programs for many years. Currently, ICS has a \$3 million budget, of which 14 percent is federal funding. Diversification of funding is very important to help support programs and services. Volunteerism is also an important asset to keep operating expenses below 15 percent. Last year, 45,000 hours were logged in with all of ICS' programs which translates to approximately \$1 million that was able to be leveraged through the use of volunteers. Programs include social services with financial assistance and food bank, and services for seniors and the disabled with care-giving services such as transportation, delivery of mobile meals, etc.

Community partnerships are very important. She mentioned the following: a Volunteer Income Tax Program, financial literacy workshop, counseling relationship-building programs, mental health program, and senior programs. Job and employment issues are the number one reason that people are going to ICS for assistance as well as the CSBG dollars that people need for emergency services, such as food, rent and utility costs. Case management is done with the clients in one to three months to determine whether those helped are in self-sufficiency.

Co-Chairman Barto asked whether ICS is required to report on the cases to see if people achieve self-sufficiency to determine whether the same family is served year after year. Ms. Patt-Smith answered that ICS is required to report to the County on a monthly/yearly basis but does not go further than that as an individual contracted agency. ICS maintains a data base to monitor whether people come back for repeated services; however, it generally does not see repeats for certain services.

Rural Economic Development

Brian Babiars, Executive Director, Western Arizona Council of Governments (WACOG), related that WACOG is the community action agency for the three counties it serves. WACOG uses CSBG funds to fill gaps in programs that cannot support themselves. Some of the services provided include weatherization, major housing rehab, homeless prevention, utility assistance, case management, housing counseling and financial literacy. Being a Council of Governments organization, WACOG is also responsible for transportation and transit planning in the areas that are not metropolitan planning organizations. One of its larger programs is the Head Start Program. WACOG serves 1,068 children in 53 different locations and serves the families of children to get them education and jobs. It partners with school districts and receives matching funds from different organizations to fund services. WACOG is also the designated area agency on aging, with various programs being subcontracted out. Other services include health insurance counseling and assisting homeowners, an important service offered by WACOG. Since 2010, 1,066 homeowners, many of whom were going to be foreclosed on, have been

helped by either reducing their loans or had their interest rates reduced in order to help save their homes.

National, State and Local Perspective

Cynthia Zwick, Executive Director, Arizona Community Action Association (ACAA), stated that community action agencies are uniquely positioned to help those in poverty because they do have resources and community partners, although they are generally underfunded. One of the things they do is work hard to ensure that people are in the best position they can be to achieve their goals and become successful. On a national level, ACAA is working closely with the Department of Economic Security and the Office of Community Services (OCS) at Health and Human Services on the implementation of organizational performance standards. Standards have been set and it is anticipated that all agencies in Arizona will meet and exceed those standards. Copies will be shared with Members of this Committee to see the kinds of standards being put in place.

Ms. Zwick reported that there is also a significant focus on innovation and agencies are being challenged to come up with new innovative programs on community-based solutions to poverty. While the structure and funding in many organizations is similar, the programs are often different, dependent on what the community needs are.

There is also a focus at the federal level on state agency performance standards, so the state will be held to higher standards for reporting requirements and increases accountability.

Ms. Zwick advised that Arizona ranks fifth highest in the country for its rate of poverty, which is about 19 percent of the population, of which 27 percent are children and 13 percent are seniors. She stated that one in five Arizona children go to bed hungry every day.

Co-Chairman Shope brought up the high unemployment rate in his district which includes a large percentage of tribal communities. Ms. Zwick noted that the unemployment rate in tribal areas is at a 42 to 47 percent poverty rate.

Ms. Zwick said the focus now is on high-end impact strategies which affect behavioral changes, goals of the system, how the systems operate and how individuals operate within the systems to become successful. The focus is on high-quality service delivery, relying on partnerships with other organizations to minimize redundancy. Many of the relationships are with business and faith-based organizations.

In reply to the question which arose on the success of the programs, she said that all of the agencies work with management and accountability criteria, goals and objectives; copies can be provided to Members. The matrix starts at crisis and ends at self-sufficiency. Progress will be reported as the agencies go forward. Programs are based on community-based solutions to poverty. Needs assessments are done every three years in the community and that is what drives program planning and organizational priorities.

Ms. Zwick reported on the number of participants who sought emergency services in Phoenix last year: 65 percent were first-time participants, 2,200 were seniors and almost 5,300 were disabled. Many of the seniors and disabled are on fixed incomes and are repeat clients.

Representative Mendez said he would like to have someone keep track of those referrals in relation to the cuts to the Community Information Referral Service. Ms. Zwick said that the number of people coming through will continue to be tracked; however, she is not sure how it will be correlated to the cuts made to the Community Information Referral Service.

Representative Mendez asked questions on the following: the housing breakdown issues, the remaining balance on the distribution and allocation of funds, and responses to comments from other agencies. He said he would like to have information on comments made by other agencies.

In response to Co-Chairman Shope's query on employment, Ms. Zwick answered that following the recession, of the five million unemployed people, 50 percent were reemployed last year, many at lower-paying jobs. Discussion ensued on employment in rural areas.

Representative Mendez stated concern about how clients access services and wondered whether there is a better way to help people. Mr. Babiars stated that a major problem is that services in Arizona are underfunded and said it is very difficult to serve all of the population. Agencies are trying to address the fairness issue of who needs services the most, but there is no good way to address the need. He said that agencies try to do the best they can with the dollars available. Ms. Cora-Cruz concurred and said that discussions have been held on this issue but no better solution has been found.

Without objection, the meeting adjourned at 3:20 p.m.

Joanne Bell, Committee Secretary
August 14, 2014

(Original minutes, attachments and audio on file in the Chief Clerk's Office; video archives available at <http://www.azleg.gov>)